Exchange Rate	3.8	NIS/$

FST21 Israel

Payroll Overhead (car leasing and fuel)	8%
Payroll Costs (per month, in ILS)	
Social Security	6%
Benefits	22%
Phone	300
Restuarants	800
Recovery	200

Cost of Revenues	CSO	Cognitec	Distributer/Sales	Total
Product		10%		10%
Service	3%			3%
Sales Commissions	10%			
Employee Expenses:				

will be classfied as per the department that they belong to under "Misc"

SMA Rate	8%

Digital Doorman BOM - NO SHIPPING COSTS

	with Intercom	No Intercom
Intense	$ 1,000	$ 1,000
Camera	$ 900	$ 900
MOXA	$ 235	$ 235
Switch	$ 160	$ 160
Intercom	$ 1,232	
New LED sign	$ 50	$ 50
Cognitec	$ 250	$ 250
packing box	$ 150	$ 150
labor for preparing 1 unit	$ 200	$ 200
total cost	$ 4,177	$ 2,945
MSRP	$ 8,999	$ 7,999
Profit	$ 4,822	$ 5,054
Margin	54%	63%

Average Margin for P&L	57%

Region
Israel
USA
Distributors
Others
Total

Countries
Israel & EMEA
USA
APAC
Brazil
Canada
Other

Q3/2015	Q4/2015	Q1/2016	Q2/2016	Total
$70,000	$80,000	$100,000	$120,000	$370,000
$270,000	$370,000	$500,000	$680,000	$1,820,000
$50,000	$80,000	$100,000	$150,000	$380,000
$60,000	$120,000	$200,000	$250,000	$630,000
$0	$0	$0	$0	$0
$0	$0	$0	$0	$0
$450,000	$650,000	$900,000	$1,200,000	$3,200,000

Total Payroll Costs (including SS,benefits,taxes,car costs and mobile)

FST21 Israel

Department	July	August	September	October	November	December	January	February	March	April	May	June
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Total General and Administration	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474
Total R&D Department	199,421	199,421	199,421	199,421	199,421	199,421	199,421	199,421	199,421	199,421	199,421	199,421
Total Operations Department	55,263	64,474	64,474	64,474	64,474	64,474	64,474	64,474	64,474	73,684	73,684	73,684
Total Sales Department	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368
Total Marketing Department	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368	32,368
Total FST21 Israel	368,895	378,105	378,105	378,105	378,105	378,105	378,105	378,105	378,105	387,316	387,316	387,316

Total Head Count

Department	July	August	September	October	November	December	January	February	March	April	May	June
General and Administration	4	4	4	4	4	4	4	4	4	4	4	4
R&D Department	18	18	18	18	18	18	18	18	18	18	18	18
Operations Department	6	7	7	7	7	7	7	7	7	8	8	8
Sales Department	3	3	3	3	3	3	3	3	3	3	3	3
Marketing Department	3	3	3	3	3	3	3	3	3	3	3	3
FST21 Israel	34	35	35	35	35	35	35	35	35	36	36	36
FST21 America	9	9	9	9	9	9	10	10	10	10	10	10
Total Head Count	43	44	44	44	44	44	45	45	45	46	46	46

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Total		
	K$	K$	K$	K$	K$		
Revenues:							
Products	270	370	500	680	1,820		
Total Revenues	270	370	500	680	1,820		
Costs of Revenues:							
Hardware (Digital Doorman)	17	24	32	44	117	15%	Digital Doorman Kits
Software Royalties	27	37	50	51	165		
Total Costs of Revenues	44	61	82	95	282		
Gross Profit	226	309	418	585	1,538		
in %	84%	84%	84%	86%	84%		
Operating expenses:							
Payrolls	328	344	399	428	1,499		
Rent	19	30	30	30	108		
Communication & IT	8	6	8	6	27		
Office Expenses	5	5	8	5	24		
Professional Services	39	6	34	6	85		
Traveling	89	89	101	101	378		
Others	6	6	6	6	22		
Total Operating Expenses	**493**	**484**	**585**	**581**	**2,143**		
EBITDA	**-268**	**-175**	**-167**	**4**	**-605**		
Head Count	9	9	10	10			

Department Summary in $K	July	August
R&D Expenses	294	295
Selling	40	40
Marketing	107	101
Operations expenses	78	87
General and Administrative	79	68
Total	598	591

Depratment Breakdown

FST Israel

General and Administrative		July	August
Expenses Description	Monthly Cost	USD	USD
Payroll Costs	See HR Costs	49,474	49,474
Rent	12,000	12,000	12,000
Electricity	1,934	1,934	1,934
Communication	1,658	1,658	1,658
Computing & IT	1,053	8,868	2,237
Maintenance	1,658	1,658	1,658
Refreshments	995	995	995
Legal Expenses	2,632	2,632	2,632
Accounting and Book-keeping	3,158	3,158	3,158
Recruiting Fees	8,526	18,758	8,526
Human Resource (company events)	395	395	395
Office Supply	526	526	526
Business Insurance	19,332	1,611	1,611
Municipal Tax	1,053	1,053	1,053
Miscellaneous	3,947	3,947	3,947
Allocation		-29,640	-23,880
Total		**79,026**	**67,923**

R&D		July	August
Expenses Description	Monthly Cost	USD	USD
Payroll Costs	See HR Costs	199,421	199,421
Travels Expenses	5,000 per travel	0	5,000
Equipment Samples	2,632	2,632	2,632
SW Tools	1,974	1,974	1,974
Patents Legal Fees	3,509	3,509	3,509
Miscellaneous	1,316	1,316	1,316
G&A Allocation		17,784	13,866
Subcontractors			
Mobile Dev (include UX)	51,316	4,276	4,276
FST Testing Lab	80,000	6,667	6,667

Fraud Consulting	315,000	52,500	52,500
GPU			
Constant Security Testing	50,000	4,167	4,167
Branded PC			
Total		**294,245**	**295,326**

Sales		**July**	**August**
Expenses Description	Monthly Cost	**USD**	**USD**
Payroll Cost	See HR Costs	32,368	32,368
Travels Expenses	5,000	0	0
Salesforce	2,500	833	833
Sales Commissions		4,325	4,325
New Territory - consultants and studies	15,000	0	0
G&A Allocation		2,964	2,311
Total		**40,491**	**39,838**

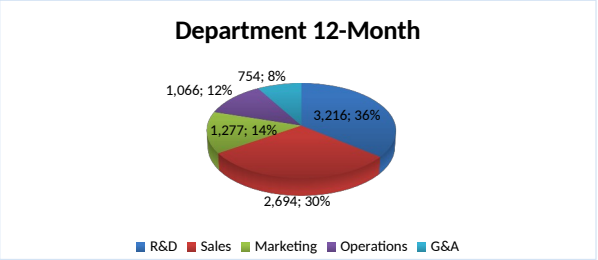
Marketing		**July**	**August**
Expenses Description		**USD**	**USD**
Payroll Cost	See HR Costs	32,368	32,368
Travels Expenses	5,000	5,000	0
Trade Shows	526,000	28,500	28,500
PR and Marketing Writing/AR	104,000	8,700	8,700
Branding	14,500	1,208	1,208
Web	40,300	3,358	3,358
Video Production		6,667	6,667
Trade Shows Booth	8,000	0	0
Giveaways and Pilot Tools	13,000	1,083	1,083
Print Production	5,000	417	417
Third Party Content buy	20,000	6,667	6,667
CI	5,000	5,000	5,000
Marketing Tools		3,000	3,000
Miscellaneous	20,000	1,667	1,667
G&A Allocation		2,964	2,311
Total		**106,599**	**100,946**

Operations		**July**	**August**
Expenses Description	Monthly Cost	**USD**	**USD**
Payroll Cost	See HR Costs	55,263	64,474
Travels Expenses	3,000	3,000	3,000
Consultants (Support)	52,632	4,386	4,386
Technical Writing	19,737	1,645	1,645
Materials	30,263	2,522	2,522
FSTU Development Training Materials	21,053	1,754	1,754
Equipment	1,750	1,750	1,750
Miscellaneous	1,600	1,600	1,600
G&A Allocation		5,928	5,392

Total		**77,848**	**86,523**
Total Expenses FST21 Israel		**598,209**	**590,556**

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Total
Revenues	456	671	911	1,219	3,257
COGS	120	153	199	250	723
Gross Profit	336	518	712	969	2,535
in %	74%	77%	78%	80%	78%
Operating expenses:					
R&D Expenses, Less CSO Grants	876	875	723	734	3,208
Selling & Marketing	1,042	999	1,144	1,250	4,435
General and Administrative	206	178	182	188	754
Total Operating Expenses	**2,125**	**2,052**	**2,048**	**2,172**	**8,397**
EBITDA	**-1,789**	**-1,534**	**-1,336**	**-1,203**	**-5,863**
Head Count	44	44	45	46	

Department 12-Month	**12-month**	
R&D	3,216	36%
Sales	2,694	30%
Marketing	1,277	14%
Operations	1,066	12%
G&A	754	8%
Total	9,007	



Rounded Table

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Total
Revenues	460	670	910	1,220	3,260
COGS	120	150	200	250	720
Gross Profit	340	520	710	970	2,540
in %	74%	78%	78%	80%	78%
Operating expenses:					
R&D Expenses, Less CSO Grants	880	880	720	730	3,210
Selling & Marketing	1,040	1,000	1,140	1,250	4,430
General and Administrative	210	180	180	190	760
Total Operating Expenses	**2,130**	**2,060**	**2,040**	**2,170**	**8,400**
EBITDA	**-1,790**	**-1,540**	**-1,330**	**-1,200**	**-5,860**
Head Count	44	44	45	46	

Rounded Department 12-Month	**12-month**	
R&D	3,210	36%
Sales	2,690	30%
Marketing	1,280	14%
Operations	1,070	12%
G&A	750	8%
Total	9,000